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June 30, 1932.

WORLD WOOL PROSPECTS

Prices, Trade and Consumption

There were some signs of improvement in the Boston market during June. Manufacturers displayed a broader interest, and, while purchases were very moderate, they indicated more confidence than has been noted for many weeks. Any continued improvement in takings at Boston, however, is dependent upon a pick-up in the goods market. Domestic wool prices have declined materially at Boston during the past months. The margins of domestic over foreign prices for most grades of wool are lower than at any time during the past five years and are well below the tariff rate of 34 cents per pound clean content. At the close of the fourth series of sales at London on June 3, ordinary 70s scoured basis were 13.6 cents below Boston prices of 64s, 70s, 80s; 56s were 13 cents below the Boston price and 46s were 17.9 cents below the Boston price for the most nearly comparable grades. The next series of sales at London will open July 5.

Clearing sales were held in some of the Australian centers during June. Prices at the Brisbane wool sales which closed on June 28 were quite firm and prices of well grown fleece wools were about 5 per cent higher than those received at the previous sale. The 1932-33 Australian selling season is scheduled to open on August 29 with the first sale at Sydney.

Wool consumption in the United States has declined rapidly during the present year in contrast to the steady improvement during the first half of 1931. Consumption of combing and clothing wool by manufacturers reporting to the Bureau of the Census in April dropped to 16 million pounds (grease equivalent) the lowest reported since 1920.

The present clip is arriving at Boston much more slowly than was the case last season. About 38 million pounds of domestic wool were received at Boston from April 1 to June 18 this year against 72 million pounds to the corresponding date last season. The decline in part reflects the later shearing this season and probably a change in marketing procedure from that of last year which brought heavy receipts to Boston early in the season. The peak in receipts of domestic wool at Boston usually comes in July.

Imports of combing and clothing wool into the United States from January 1 to May 31 of the present year were 11,795,000 pounds compared with the low imports of 26,747,000 pounds for that period last year. Imports from May to December are usually very light but supplies of domestic wool are expected to be sufficient to care for requirements during this period.

There have been few new developments in the English market in the past month. Trading at Bradford was reported to be moderate and prices of merinos were fairly firm the third week of June. Statistics now available for May show a considerable decline in activity during that month. According to reports of the Ministry of Labor, unemployment in the woolen and worsted industries on May 23 had increased to 25.5 per cent compared with 18.0 per cent on April 25. This is the highest unemployment reported since September 1931 but is 1.5

per cent below that of May last year. Consumption is unofficially reported to have declined 5 million pounds in May as compared with April. The decline in employment in May was greater in the woolen section than in the worsted section.

Contentions of English manufacturers that the lowering of the tariff rates on wool yarns and tissues would result in an immediate flood of foreign products into their markets are not borne out by trade statistics for May, the first month under the new rates. While some increase is reported in imports of these products compared with the previous month, the figures are well below those of May 1931. Imports of woolen and worsted yarns during May were 135,000 pounds against 19,000 pounds in April. In May 1931 yarn imports were 1,571,000 pounds. Imports of woolen and worsted tissues were 287,000 square yards in May compared with 233,000 square yards in April and 4,139,000 square yards in May 1931. Exports of tops, yarns and tissues from the United Kingdom show declines in May as compared with April but are equal to or slightly larger than those of May 1931.

Declining prices were again the dominating influence on continental wool and top markets during May, reports Agricultural Attaché Steere at Berlin. The continental wool industry continued to purchase very cautiously and trading, especially in tops and wool was quite limited. All countries however, reported a better trade in noils. The political situation in France and Germany remained a great element of uncertainty in all business activity.

Occupation in the continental wool industry during May was slightly less than in April but immediate further recession was not expected the early part of June. The position in France changed very little during May and Roubaix-Tourcoing mills continued to operate four and one-half to five days in place of the normal six day week. There was a slight pick-up in France in export sales of fancy yarns the second half of May and early June brought a slight revival of yarn sales on the domestic market also, but sales generally have been quite slow.

The situation in the German wool industry was largely unchanged in May as compared with the previous month, new business being hampered by the uncertainty of the political situation. A new report of the German Institute for Economic Research indicates that during the past several months activity in the German wool industry as a whole has declined further, contrary to seasonal tendencies. It is pointed out however, that only a renewed sharp decline in sales of finished goods and semi-manufactured fabrics would probably bring about further significant reductions in activity as woolen goods stocks are considered small. As far as the domestic market is concerned there is not much reason to assume significant further declines in retail sales, as these seem to have become rather stable recently. Exports from Germany on the other hand are steadily declining. Present exports of woolen goods are only about 60 per cent of last years level or lower than any time since 1924. The percentage of fully employed trade union members in the German wool industry in April was only 28.0 per cent, compared with 39.4 per cent in January. Conditions in Belgium, Italy and Czechoslovakia showed little change during May.

Wool: Price per pound in important markets, specified dates 1931 and 1932

Market and description	1931 June Date	1931 June Price	1932 May Date	1932 May Price	1932 June Date	1932 June Price
		Cents		Cents		Cents
Boston						
Territory, strictly combing scoured basis	Week ended		Week ended		Week ended	
64s, 70s, 80s	6/20	61.5	5/21	44.0	6/18	38.0
56s	"	46.5	"	36.0	"	33.0
46s	"	36.0	"	28.5	"	24.0
London						
U. S. standards scoured basis						
70s ordinary	7/7	38.5	4/22	26.5	6/3	25.4
56s "	"	24.3	"	20.3	"	20.0
46s carding	"	15.2	"	9.8	"	8.1
Bradford						
Scoured wool						
64s	6/25	37.5	5/26	23.8	6/25	24.1
50s	"	18.2	"	10.4	"	10.2
Germany						
German A/AA 1/ cleaned scoured	6/15	38.9	5/15	31.8	6/15	30.2
Cape fine 6-8 mo. washed	"	38.5	"	29.2	"	28.4

Compiled from Weekly Market News reports of the Boston office of the Bureau of Agricultural Economics and reports from Agricultural Attache's at London and Berlin.

1/ Corresponds to grades 66/70 in the English system.

Wool: Imports into the United States, specified periods, 1931 and 1932

Class	1931 Jan. 1-May 31	1931 May	1932 Jan. 1-May 31	1932 Apr.	1932 May
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Combing	23,191	2,997	8,129	1,100	578
Clothing	3,556	355	3,666	572	126
Total	26,747	3,352	11,795	1,672	704
Carpet	49,024	10,810	24,058	2,513	2,128
Total all wools	75,771	14,062	35,853	4,185	2,832

Compiled from official records of the Bureau of Foreign and Domestic Commerce.

Wool tops: Price per pound in England, France and Germany, specified dates 1931 and 1932

Market and description	1931 June		1932 May		1932 June	
	Date	Price	Date	Price	Date	Price
		Cents		Cents		Cents
Bradford						
64s	June 25	45.6	May 26	32.3	June 25	31.6
50s	" "	25.3	" "	17.7	" "	16.5
Roubaix						
Australian merino 64s warp	June 4	56.8	May 13	42.7	June 3	40.0
" crossbred 56s	" "	44.6	" "	33.8	" "	32.0
Argentine crossbred 56s	" "	41.6	" "	30.2	" "	30.2
Germany						
Dry combed						
Australian 70s	June 15	52.2	May 15	40.0	June 15	37.8
Buenos Aires 50s	" "	29.9	" "	22.7	" "	21.6

Compiled from reports of Agricultural Attaché's at London and Berlin.

Wool: Consumption in the United States by grades, for specified periods, 1931-1932 1/

Grades (official standards of the United States)	1931 Jan. 1 - Apr. 30	1931 Apr.	1932 Jan. 1 - Apr. 30	1932 Mar.	1932 Apr.
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Combing and clothing wool					
64s, 70s and 80s	49,961	14,713	33,880	7,230	5,463
58s and 60s	18,301	4,992	16,221	4,246	2,140
56s	17,518	5,778	13,054	3,433	2,527
48s and 50s	12,647	3,516	13,040	3,168	2,464
36s, 40s, 44s and 46s	5,866	2,036	4,961	1,270	940
Total combing and clothing wools	104,293	31,035	81,156	19,347	13,534
Carpet wools	36,902	11,492	21,408	6,108	3,967
Total all wools	141,195	42,527	102,564	25,455	17,501

Compiled from "Wool Consumption Reports" issued by the Bureau of the Census.

1/ These are the totals of grease, scoured, and pulled wool as published by the Bureau of the Census and have not been reduced to a grease basis.

Supply Situation

Recent reports tend to confirm earlier indications of a 1932 world wool clip about equal to that of 1931. Preliminary estimates place the Australian clip at a figure considerably above production for any preceding year and feed prospects are now reported as favorable for carrying sheep through the coming winter in the other Southern Hemisphere countries.

Although sheep and lamb slaughter has been heavier in most Southern Hemisphere countries since the last shearing season than during the preceding season, it has probably not been heavy enough to result in any material reduction in sheep numbers in view of the good lamb crops produced during the past season.

In New Zealand, however, the sheep estimate for April 1932 shows a reduction of 4 per cent and there were some losses reported in Uruguay at the last shearing.

Owing to the reported fairly heavy losses of sheep, especially of old ewes, in the Western Range States of the United States during the winter and spring just passed and generally lighter fleeces, it seems probable that the upward trend in wool production in this country will receive a check this year, notwithstanding the fact that sheep numbers on January 1, 1932 exceeded the number at the same date of the preceding year by 2 per cent. Official estimates of the 1932 clip, however, are not yet available. In 1931 both sheep numbers and wool production in Canada showed a slight decrease for the first time since 1924.

Such information as is available for European countries indicates that there may be some increase in the 1932 clip. The European countries exclusive of Russia produce in the neighborhood of 500 million pounds of wool annually.

World production, exclusive of Russia and China, is now estimated at 3,313 million pounds for 1931, an increase of 1 per cent above 1930.

Movement in primary markets for new season 1931-32 with comparisons

Country	Item and period	1930-31	1931-32
	Receipts at selling centers:	Million lbs.	Million lbs.
Australia	July 1 -- June 1 1/	746.4	843.7
New Zealand	Nov. 1 -- May 1 - selling season	2/ 159.8	2/ 194.4
Union of South Africa	July 1 -- June 1		3/ 292.7
	Disposals at selling centers:		
Australia	July 1 -- June 1 1/	709.8	782.2
New Zealand	Nov. 1 -- June 1		
Union of South Africa	Oct. 1 -- June 1	4/	5/ 281.8
	Exports		
Australia	July 1 -- June 1	787.3	808.2
New Zealand	July 1 -- June 1	212.6	216.6
Argentina	Oct. 1 -- June 1	281.6	236.3
Uruguay	Oct. 1 -- June 1	140.4	69.4
Union of South Africa	July 1 -- June 1	268.6	275.2
	Stocks at selling centers		
Australia	June 1 1/	36.5	61.5
Union of South Africa	June 1 -- unsold wool	14.7	24.4
New Zealand	May 1	68.0 to 101.0	32.5

Division of Statistical and Historical Research. For later estimates for some countries see text. Compiled as follows: Australia: Receipts, stocks and disposals - Estimates of National Council of Wool Selling Brokers of Australia - Latest figures cabled by Agricultural Commissioner Paxton. Exports-Dalgety and Company estimate. New Zealand: Offerings and sales, Trade Commissioner Julian B. Foster and weekly trade reports. Exports - Dalgety and Company. Stocks 1932 - The New Zealand Farmer May 2, 1932. Argentina: Receipts and stocks at Central Produce Market - Review of the River Plate - Latest monthly export figures Assistant Agricultural Commissioner C. L. Luedtke. Uruguay: Receipts at Montevideo - The Anglo South American Bank, Ltd., December 1931. Exports - Assistant Agricultural Commissioner C. L. Luedtke. Union of South Africa: Receipts, sales, exports, stocks - Yorkshire Observer June 14, 1932.

1/ Clip of season designated only.
2/ Offerings at selling centers used as no figures given for receipts.
3/ By rail.
4/ Data unavailable.
5/ Total sales.

Wool: Production in countries reporting for 1931 and estimated world total, annual 1926-1932

(For table giving all countries see Foreign Crops and Markets, April 18, 1932, pages 599-601)

Country	1926	1927	1928	1929	1930	1931 (Prel.)	1932 (Prel.)
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
SOUTHERN HEMISPHERE:							
Australia	924.4	888.1	968.2	937.3	901.2	1/950.0	984.5
New Zealand 2/	202.4	229.0	239.0	242.0	266.0	3/257.0	
Argentina 4/	357.0	336.0	352.0	320.0	351.0	333.0	
Uruguay 4/	129.0	131.0	139.0	1/150.0	1/154.0	5/130.0	
Chile 4/	26.0	28.4	27.9	27.1	26.7	28.0	
Union of South Africa 4/ 6/	249.2	273.0	283.0	307.0	305.0	315.0	
Total 6 Southern Hemis.countries	1,888.0	1,885.5	2,009.1	1,983.7	2,003.9	2,013.0	
NORTHERN HEMISPHERE:							
United States							
Shorn	268.9	289.9	314.6	327.6	351.5	369.3	
Pulled 7/	49.6	50.1	51.9	54.5	61.9	66.1	
Total	318.5	340.0	366.5	382.1	413.4	435.4	
Canada	18.0	18.7	19.6	20.3	21.0	20.4	
EUROPE							
United Kingdom and Irish Free State8/	114.6	118.5	119.7	117.9	117.9	121.9	
Norway	6.2	6.2	5.4	5.2	3/ 5.4	3/ 5.7	
France	46.5	47.6	47.2	46.1	45.2	3/ 43.9	
Spain 9/	75.9	77.6	(76.0)	10/73.0	73.5	73.8	
Germany	41.8	35.9	33.6	31.9	30.6	3/ 30.8	
Czechoslovakia	3.8	9/ 3.8	9/ 3.7	9/ 3.7	9/ 3.7	2.7	
Hungary	13.2	11.8	11.5	11.5	13.0	3/ 12.8	
Yugoslavia	28.8	28.0	28.0	28.0	(28.5)	28.8	
Rumania 9/	49.2	49.8	48.2	47.2	45.9	45.3	
Lithuania	5.0	3.8	4.1	3.6	3.2	3.6	
Latvia	3.6	3.6	3.4	(3.4)	3.3	2.8	
Poland	9.1	8.8	9.6	10.4	9.6	3/ 10.0	
Total 12 European count.reported for 1931	395.6	395.4	390.4	381.9	379.5	382.1	
AFRICA & ASIA 11/							
Algeria	39.3	36.8	36.8	47.1	49.6	38.0	
Tunis	5.7	2.8	3.2	3.8	4.3	5.2	
Egypt	4.6	4.8	4.7	4.0	4.0	3/ 4.5	
Turkey	10.2	11.9	8.5	5.0	14.1	14.8	
Total 18 Northern Hemis.count.reporting to 1931	791.9	810.4	829.7	844.2	885.9	900.3	
Total 24 count. reptg. to 1931	2,679.9	2,695.9	2,838.8	2,827.9	2,889.8	2,913.3	

Continued

Wool: Production in countries reporting for 1931 and estimated world total, annual 1926-1931 - Continued

(For table giving all countries see Foreign Crops and Markets, April 18, 1932, pages 599-601)

Country	1926	1927	1928	1929	1930	1931 (Prel.)	1932 (Prel.)
Estimated world total excl. Russia & China 12/	3,066.0	3,068.0	3,217.0	3,209.0	3,280.0	13/ 3,313.0	
Russia	351.0	369.0	391.8	394.2	310.8	14/ 350.0	
China 14/	27.8	48.0	64.8	50.2	26.1	31.9	

Bureua of Agricultural Economics, Division of Statistical and Historical Research. Includes small quantities of pulled wool in certain countries. This table includes wool shorn in the spring in the Northern Hemisphere and that shorn in the last few months of the same calendar year in the Southern Hemisphere.

1/ Estimate furnished by cable from the International Institute of Agriculture. 2/ Estimates of Dalgety and Company as comparable figures are available up to date. Official figures recently issued by the Farm Economic Section of the New Zealand Department of Agriculture place total production as follows, in millions of pounds: 1923-1925, 195; 1926, 214; 1927, 226; 1928, 239; 1929, 252. 3/ Estimate based on sheep numbers at date nearing shearing time. 4/ Estimates based on exports alone or on exports, stocks and domestic consumption. 5/ Estimates of decrease vary considerably but 15 per cent decrease taken as conservative. 6/ Includes imports from surrounding territory, British Southwest Africa, Basutoland, etc., which are exported through Union ports. 7/ Reported mostly as washed. The United States Bureau of the Census considers 1 pound pulled wool the equivalent of 1-1/3 pounds grease. 8/ Estimates of the Yorkshire Observer. These estimates have been used instead of official figures as comparable estimates are available up to date. 9/ Revisions based on recent census figure of wool production or of sheep numbers. 10/ Census figures. 11/ Estimate for Asiatic countries rough approximations only. 12/ Totals subject to revision. Few countries publish official wool production figures. In the absence of official figures for most countries various estimates have been used, some have been supplied by Government representatives abroad, others are based on sheep numbers at the date nearest shearing time. For some principal exporting countries, exports alone, or exports, stocks and domestic consumption have been used as representing production. In the case of some Asiatic countries rough commercial estimates have been used while the figure of the United States Department of Commerce or the National Association of Wool Manufacturers have been used for some countries. 13/ Estimate based on production in 24 countries which furnish 88% of world production, exclusive of Russia and China in 1930. 14/ Estimate based on increase in sheep numbers.

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